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New Regulations for Food Stamp Program

ON MAY 4, the Food and Nutrition Service announced regulations to simplify administration, correct abuses, and control costs in the Food Stamp Program. The regulations, proposed in February at the direction of President Ford, are expected to reduce overall program costs by more than \$1.2 billion a year, and achieve a more equitable distribution of benefits.

All major provisions of the proposed regulations are retained in the final rulemaking. However, a number of changes have been made in response to comments from State welfare agencies and the general public. FNS received over 2,700 individual letters. The final regulations will:

- Replace the current system of itemized deductions from gross income with a standard deduction of \$100 per month. This means that a four-person household may have a gross income no higher than \$558 per month (\$6,700 a year) to qualify for food stamps. An additional \$25 a month will be deducted by households with one or more members age 65 or older.

- Establish a uniform purchase requirement. Each household will pay 30 percent of adjusted gross income for its food stamp allotment. Currently, the purchase requirement varies according to household size and income.

- Set a uniform national standard for income eligibility, based on the

poverty guidelines prescribed by the Office of Management and Budget. The official poverty level for a family of four is an annual income of \$5,500. These poverty guidelines will not apply to households receiving public assistance or Supplemental Security Income, since these households are automatically eligible for food stamps.

The following chart shows maximum allowable income standards, in accordance with the guidelines, for the 48 States, District of Columbia, Puerto Rico, and the Virgin Islands:

<u>Household Size</u>	<u>Income Standards</u>
One-person.....	\$233 per month
Two-person.....	308 per month
Three-person.....	383 per month
Four-person.....	458 per month
Five-person.....	533 per month
Six-person.....	608 per month
Seven-person.....	683 per month
Eight-person.....	758 per month
For each additional family member, add \$75.	

The levels for Hawaii, Alaska, and Guam are higher, in line with higher living costs in these areas.

- Provide for a 3-month retrospective accounting period. Eligibility will be based on income received during the 3 months prior to application for food stamps. This provision is designed to single out households in need of long-term food assistance. Under the

present system, eligibility is figured by estimating income for future months.

- Require participating households, except certain households with stable incomes, to file monthly income reports. Stable households--those with no earned income, or with income sources limited to public assistance, Supplemental Security Income, Social Security payments or retirement benefits--will be required to report income changes only as they occur. These households were exempted in line with comments from State agencies and others, to avoid undue administrative and recipient hardship.

- Limit exclusions from income to loans, earnings by children under age 14, medical vendor payments, in-kind payments, and other exclusions mandated by law. The exclusions for loans and child earnings were reinstated to the final regulations in response to public comments.

- Exclude participation by minors living in households where no adult is legally responsible for their support. This provision, also revised in response to comments, makes clear that foster children are not excluded from participation in the program.

- Strengthen current work registration provisions by requiring recipients to actively search for a job. Another change in the proposal in response to comments restores the right of recipients to decline a job for health or safety reasons.

- Tighten accountability for coupon and cash collections. This provision is intended to improve State control over the handling of cash and coupons.

The final rules appeared in the Federal Register May 7 and were effective immediately. However, USDA has agreed to allow States to phase implementation.

Provisions concerning the purchase requirement, standard deduction and income eligibility must be put into effect for new applicants and subsequent certifications starting June 1. However, these provisions must be in effect for all certified households by September 1.

Implementation of the retrospective accounting, monthly reporting, accountability and all other provisions will start on September 1, and they must be in full effect by December 31.

FNS PROPOSES THREE CHANGES IN FOOD STAMP REGULATIONS

A PROPOSED AMENDMENT to food stamp regulations would reduce the number of reports that State agencies are required to submit to FNS. In addition, the proposal would give FNS the responsibility of reviewing State agencies; currently the State agencies conduct reviews themselves. These proposed changes are a result of suggestions made during an efficiency and effectiveness workshop, which included participants on State, regional, and national levels. The workshop was held January 28-30.

The proposed amendment appeared in the Federal Register April 27. Comments should be submitted in writing to Nancy Snyder, Director, Food Stamp Division, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C. 20250, no later than May 27.

FNS is currently reviewing comments received on two other proposed changes in food stamp program regulations. The proposals, which appeared in the Federal Register March 19, would tighten the accountability of issuance agents and set a time limit for getting food stamps to eligible households.

The proposed amendment on accountability would require State welfare agencies to withhold payments to issuance agents under contract to sell food stamps until

the contractors do the following:

- Submit authorization-to-purchase (ATP) cards for all issuance transactions. ATP cards specify the amount of food stamps to be sold to each household and must be turned over to the issuance agent when coupons are purchased.

- File reports accounting for all cash and food stamps involved in issuance transactions.

- Deposit cash collected from food stamp sales to the Federal Reserve Bank.

Under the proposal, contracts State agencies sign with private issuance agents must include these provisions.

The other proposed amendment would require State agencies to give eligible households an opportunity to purchase their food stamp allotments within 45 days after the agency receives their applications. Under current regulations, State agencies must approve or deny a food stamp application within 30 days--but there is no time limit on actually getting authorization-to-purchase cards to eligible households.

Public comments on these proposals were accepted through April 19.

SCHOOL LUNCH AMENDMENT EXTENDS ELIGIBILITY

RESIDENTIAL CHILD CARE institutions may now join the National School Lunch Program, as a result of a recent amendment to program regulations. The amendment implements provisions of Public Law 94-105, and provides that both public and licensed, nonprofit private residential child care institutions are eligible. Examples include: homes for the mentally retarded or physically handicapped; halfway houses; orphanages; and temporary shelters for abused or runaway children. State agencies other than State educational agencies may adminis-

ter the lunch program in such institutions. FNS has developed new meal patterns to meet the nutritional needs of infants and children of preschool age who reside in child care institutions.

PAYMENTS MADE TO STATES

IN MARCH, FNS made up, by cash payments totaling \$32,541,000, a shortfall in commodity donations to schools. States will use their shares of this cash to purchase food for the school lunch and breakfast programs.

The National School Lunch Act provides that USDA will make up with cash payments any "shortfall" between the estimated value of foods to be donated to schools and the value of donated foods initially programmed for delivery. In fiscal year 1976, the value of donated foods programmed for schools was \$469,227,000, and FNS estimates that the value of foods to be donated during the fiscal year will be \$436,686,000. The shortfall payment makes up the difference between these two figures.

FOOD STAMP STUDY RELEASED

FNS HAS JUST released a report on "Characteristics of Food Stamp Households, September 1975." This release offers the most current and complete data on food stamp households. The report was based on an FNS survey of 11,327 case files of households which were certified to be eligible to participate in the Food Stamp Program in September 1975. These cases represented a carefully selected cross-section of types of participating counties and people. The study reports findings in detail for the 50 States and the District of Columbia. Data for Puerto Rico was computed separately.

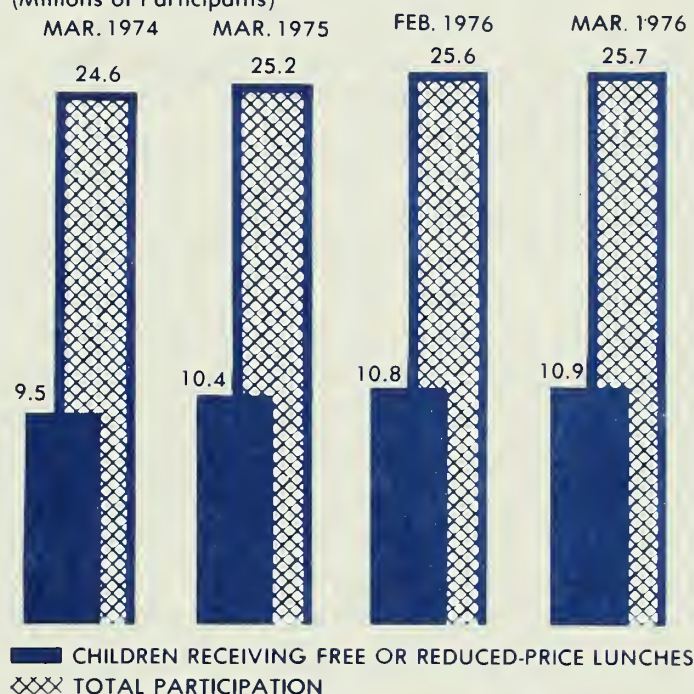
For additional information, or for copies of the study, contact the Food Stamp Division, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C. 20250.

RECORD HIGH PARTICIPATION

SCHOOL LUNCH participation reached an all time high during fiscal year 1976, preliminary data indicates. More than 25.9 million children were participating in November 1975, the peak month. That is a half-million more than the fiscal year 1975 peak of 25.4 million, despite declining enrollments. This year's peak

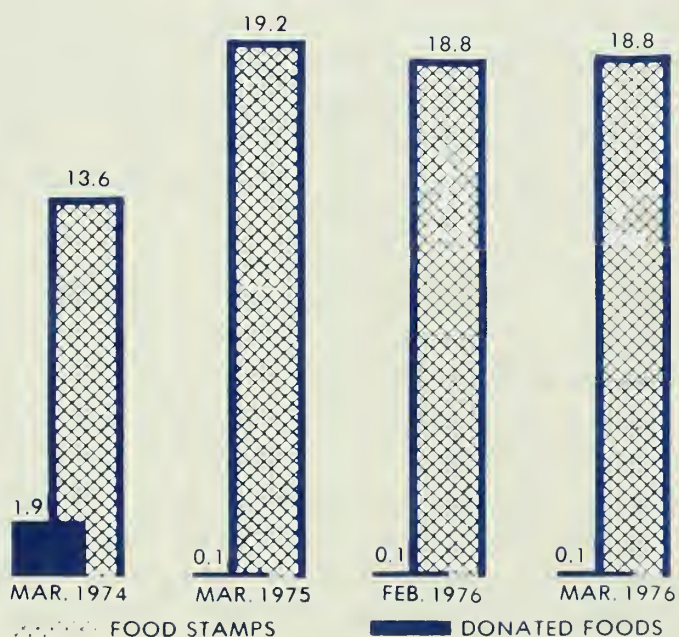
NATIONAL SCHOOL LUNCH PROGRAM

(Millions of Participants)



FAMILY FOOD ASSISTANCE PROGRAMS

(Millions of Participants)



represents the highest number of participants ever in the 30-year history of the National School Lunch Program. For the past few months, participation has been around 25.8 million.

ANNIVERSARY CELEBRATION WILL INCLUDE SPECIAL AWARDS

THIS YEAR marks the 30th anniversary of the National School Lunch Program, and special service awards will be part of the celebration. The awards will go to some 1,200 people who have worked with the program since its inception. Among these are 12 Federal employees, about 30 State employees, and about 1,150 school level employees.

FNS had asked all States and Territories to report the names of eligible food service personnel, including those who have served with the food distribution program. The total number was more than double the highest estimates. Awardees attending the American School Foodservice Association meeting in Hawaii will be recognized there. Other recipients will receive the awards in their respective States sometime after the Conference.

ADVISORY COUNCIL MEETS

RECENT REGULATORY changes in child nutrition programs were discussed at a meeting of the National Advisory Council on Child Nutrition April 6 and 7. The 15-member Council, which reports to the President and Congress, makes a continuing study of child nutrition programs, including the National School Lunch and Breakfast Programs, and the Summer Food Service Program for Children.

The next meeting will be August 2 and 3 in Honolulu, Hawaii, where the American School Foodservice Association will be holding its annual convention. Council members will discuss such topics as: modifications of the Type A lunch pattern; results of child nutrition studies; and program administration in non-public schools and residential institutions.

ADMINISTRATOR HEKMAN MEETS WITH GOVERNORS

IN THE PAST few months, FNS administrator Edward J. Hekman met with the governors of three States--Governor Arch Moore of West Virginia, Governor James Rhodes of Ohio, and Governor Michael Dukakis of Massachusetts. Since May 1974, the Administrator has met with 12 governors in a series of meetings designed to review Federal and State roles in the operation and administration of food assistance programs.

FOOD PROGRAM PEOPLE

NANCY SNYDER is the new Director of the Food Stamp Program. An experienced government executive, she has worked at both the Federal and local levels.

Since 1973, she has served as Associate Director for Coal Mine Worker's programs in the U.S. Department of Labor, directing the Black Lung Program which was implemented under her leadership. Previously, she was Deputy Director of the Special Projects Staff at Labor, and Director of its Program and Services Design Staff. She worked on plans for reforming the welfare system, including the Family Assistance Program.

Mrs. Snyder has also worked with the Peace Corps and with educational systems in both New York and Virginia. A native of New York City, she received her bachelor's degree from Ohio State University and her master's in counseling and vocational guidance from Columbia University. For the past 10 years, she's managed a 75-acre family cattle farm in West Virginia.

She became Director of the Food Stamp Program on April 19.

JOSEPH E. SHEPHERD has been named Deputy Director of the Food Stamp Division. Mr. Shepherd began working with the Food Stamp Program in 1966 as an Officer-In-Charge in Aberdeen, Washington. Before

joining the FNS Washington staff in 1972, he worked with State agency operations in the Western Regional Office and later served as acting director of the Food Stamp Program for the Region. Since November 1972, he has been chief of the Directives, Forms, and Records Branch of Management Services Division.

A native of Albuquerque, New Mexico, Mr. Shepherd earned a B.A. in government from the University of New Mexico, studied law for one year at the University of Santa Clara in California, and has a M.A. in public administration from California State University at San Jose.

BARBARA T. O'NEIL has been named Assistant to the Director of the Food Stamp Division. Bonny has held increasingly responsible positions with the program since 1968. In her new position, she will assist the Director and direct the food stamp correspondence unit, which handles all inquiries. She graduated from Ohio Wesleyan University with a political science degree, and is a member of the American Public Welfare Association's Income Maintenance Committee.

J. PAUL BOLDUC has been named USDA's Assistant Secretary for Administration, after having served as Deputy Assistant Secretary for Administration since April 1974. In his new position, he oversees the Department's management programs of audit, fiscal, budget, personnel, data processing, equal opportunity, administrative law, operations, and other administrative services.

ROGER C. KNAPP is now administrative assistant to Secretary Butz. Since 1972, he has been serving as a legislative officer in the Office of Congressional and Public Affairs. He joined USDA shortly before that as an agricultural economist with the Agricultural Stabilization and Conservation Service. He holds bachelor and masters degrees from Iowa State University.

NEW RELEASES

- "Food Stamp Facts. . .Quality Control" (FNS-144) is the latest in the Food Stamp Facts series. It explains briefly how the quality control program works, who operates the program, and what is done to correct errors found by quality control reviews.

- "Food Stamp Program: Tips for Cashiers" (FNS-136-S) is now printed in both English and Spanish, on reverse sides. The 5¼- by 4-inch card contains tips that remind cashiers how to handle food stamp transactions.

These two publications are available from the Food Stamp Division, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C. 20250.

- The "Special Supplemental Food Program for Women, Infants, and Children" fact sheet (FNS-131) has been revised to reflect recent legislative changes. It also provides basic information on the WIC program. *Copies are available from the Special Supplemental Food Division, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C. 20250.*

- "Summer Food Service Program for Children, Sponsor Handbook for Catered Programs" (PA-1143) is designed for potential and approved sponsors of a summer feeding program for children. It provides detailed information on planning and operating a catered summer food service program.

- "Summer Food Service Program for Children, Sponsor Handbook for On-Site Preparation" (PA-1144) is a comprehensive guide for planning and operating a single-site program. It emphasizes good nutrition and menu planning--necessities for preparing meals on the site.

- "Summer Food Service Program for Children, Site Handbook" (PA-1134), and a companion chart, (PA-1133) are for summer feeding program site personnel. The pocket-sized handbook clarifies program responsibilities and regulations. The chart, for display at the site, is a ready reference for daily procedures.

- "Energize Your Day with Breakfast--A Message for Parents and Community Workers" (FNS-151), and "Energize Your Day with Breakfast--A Message for School Administrators" (FNS-152) describe the breakfast program and offer suggestions for encouraging schools to participate. The brochures specify assistance available from FNS and list participation requirements.

- "Bicentennial Breakfast Menus" (FNS-153) lists menu ideas which incorporate the bicentennial themes. This brochure shows school administrators how the breakfast program can complement classroom learning.

These publications are available from the Child Nutrition Division, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C. 20250.